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United States Attorney

District of Oregon

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UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORLAND DIVISION

UNITED STATES OF AMERICA,

Case No. 3:20-cv-00036-BR

Plaintiff,

v.

**COMPLAINT *IN REM* FOR
FORFEITURE**

**\$821,030.15 IN UNITED STATES
CURRENCY, *in rem*,**

Defendant.

Plaintiff, United States of America, for its Complaint *in rem* for forfeiture, alleges:

I.

This Court has subject matter jurisdiction, *in rem* jurisdiction, and venue pursuant to 18 U.S.C. § 981; 28 U.S.C. §§ 1345, 1355, 1356, and 1395; and 19 U.S.C. § 1610.

II.

Defendant, *in rem*, \$821,030.15 U.S. currency, is subject to forfeiture in the District of Oregon, and is now and during the pendency of this action will be within the jurisdiction of this Court.

III.

Defendant, *in rem*, \$821,030.15 U.S. currency, constitutes, or is derived from, proceeds traceable to 18 U.S.C. § 1343 (Wire Fraud) and is forfeitable to the United States pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, as more particularly set forth in the Declaration of Joseph Schneider, Special Agent, Federal Bureau of Investigation, marked as Exhibit A, attached and fully incorporated herein by this reference.

WHEREFORE, Plaintiff, United States of America, prays that due process issue to enforce the forfeiture of Defendant, *in rem*, \$821,030.15 U.S. currency; that due notice be given to all interested persons to appear and show cause why forfeiture of this Defendant, *in rem*, should not be decreed; that due proceedings be had thereon; that this Defendant be forfeited to the United States; that the Plaintiff United States of America be awarded its costs and disbursements incurred in this.

Dated: January 9, 2020.

Respectfully submitted,

BILLY J. WILLIAMS
United States Attorney

/s/ Katie de Villiers
KATHERINE C. DE VILLIERS
Assistant United States Attorney

VERIFICATION

I, JOSEPH SCHNEIDER declare, under penalty of perjury, pursuant to the provisions of 28 U.S.C. Section 1746, that I am a Special Agent with the Federal Bureau of Investigation and that the foregoing Complaint *in rem* for Forfeiture is made on the basis of information officially furnished and upon the basis of such information the Complaint *in rem* for Forfeiture is true as I verily believe.

/s/ Joseph Schneider
JOSEPH SCHNEIDER
Special Agent
Federal Bureau of Investigation

DECLARATION OF JOSEPH SCHNEIDER

I, Joseph Schneider, do hereby declare:

Introduction and Agent Background

1. I am a Special Agent (SA) with the Federal Bureau of Investigation (FBI) and have been so employed since July of 2011. I am currently assigned to the Portland Division of the FBI's Cyber Squad. In this capacity, I am charged with investigating violations of federal criminal law, specifically those involving cybercrimes. I perform and have performed a variety of investigative tasks, including functioning as a case agent on computer crime cases. I have received training in the conduct of computer crime investigations. I also have received training and gained experience in interviewing and interrogation techniques, the execution of federal search and seizure warrants, and the identification and collection of computer-related evidence.

Purpose of Declaration

2. I submit this declaration in support of a complaint *in rem* for forfeiture of \$821,030.15 U.S. currency, seized from East West Bank account ending in X5782. As set forth below, there is probable cause to believe, and I do believe, that these funds constitute or are derived from proceeds traceable to wire fraud in violation of 18 U.S.C. § 1343, and are therefore subject to seizure pursuant to 18 U.S.C. § 981(b) and subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

3. This declaration is intended to show only that there is sufficient probable cause to believe the seized funds are subject to forfeiture, and does not set forth all of my knowledge about this matter. The facts set forth in this declaration are based on my own personal

Declaration of Joseph Schneider

EXHIBIT A PAGE 1
Complaint *In Rem*
FOR FORFEITURE

knowledge, knowledge obtained from other individuals during my participation in this investigation, including other law enforcement officers, interviews of witnesses, a review of records related to this investigation, communications with others who have knowledge of the events and circumstances described herein, and information gained through my training and experience.

Overview of the Investigation and Seizure of Defendant *in Rem*

10. On or about October 28, 2019, Cynthia Leiser (“Leiser”), representing the Portland Bottling Company located in Portland, Oregon, submitted a report via the FBI’s Internet Crime Complaint Center (IC3) website. The description of the incident as written by Ms. Leiser read as follows:

“The persons committing the fraud sent an email seemingly from our vendor instructing us to change the bank information previously provided for all ACH payments. A person on the finance team did not recognize the email as fraudulent and made the change. The company then sent two ACH payments several days apart. On the 24th of October after the vendor complained about non-payment we realized we’d been victims of a fraud.”

11. Based on my training and experience, I know that the scheme Ms. Leiser described above, to which the Portland Bottling Company fell victim, is commonly known as a business email compromise (BEC): where suspects register domain names or email addresses that are similar to legitimate domain names or email addresses in order to trick individuals into believing that the communications or emails are from a legitimate source. Typically, the suspects, posing as a legitimate business or a known individual in need of an anticipated payment, request that the recipient of the spoofed email transfer money to the suspect’s account. The recipient of the email then transfers or sends the money, believing the money is being sent to

Declaration of Joseph Schneider

EXHIBIT A PAGE 2
Complaint *In Rem*
FOR FORFEITURE

a legitimate business or a known individual.

12. On October 2, 2019, the Portland Bottling Company (PBC) received an email from the fraudster/s identifying themselves from Trans-Market stating they made upgrades to their billing system and will be using ACH (Automated Clearing House) for all transactions going forward. Trans-Market is a known vendor for PBC. The fraudster/s provided a new routing number of 322070381 and a new account number ending in X5782. PBC did not recognize the email as fraudulent and made the ACH payment changes as requested. As a result, PBC sent two ACH payments to the new account number. The first payment sent on October 17, 2019, was in the amount of \$825,278.25, and the second payment was sent on October 23, 2019, in the amount of \$170,400.00.

13. PBC realized they fell victim to a scam when the real Trans-Market contacted PBC regarding non-payment on October 24, 2019. PBC immediately contacted their bank, US Bank, regarding the two fraudulent transactions. US Bank was able to reverse the \$170,400.00 transfer; however, the \$825,278.25 transfer via wire had already been sent to the recipient bank – which I identified via the Federal Reserve Fedwire participant directory database and the routing number provided as – East West Bank in California.

14. On October 25, 2019, PBC received an email from Trans-Market regarding a possible Phishing email scam that was being sent to their customers. The email Phishing falsely requested that customers change payment information for Trans-Market.

15. On November 7, 2019, United States Magistrate Judge Russo signed a seizure warrant for all funds up to \$825,278.25 contained within East West Bank account ending in X5782. The seizure warrant was executed that same day. A total of \$821,030.15 in U.S.

Declaration of Joseph Schneider

EXHIBIT A PAGE 3
Complaint *In Rem*
FOR FORFEITURE

currency remained in the account and was seized.

16. Following execution of the seizure warrant, I learned that East West Bank account ending in X5782 was opened on November 18, 2018, at East West Bank located on Rosewood Drive in Pleasanton, California. The account was opened by “Paula Theisen,” DOB XX/XX/1992, with a residential address listed as, 629 Jefferson Street, Hayward, California, using Nevada driver’s license number 1885625126100. A driver’s license inquiry indicated that driver’s license does not exist. Furthermore, a driver’s license or identification card does not exist in Nevada or California for “Paula Theisen” with DOB of XX/XX/1992. It is believed that the identification card used to create the account was fraudulent. The residential address listed on the account was identified as a commercial property currently operating as Jefferson Auto Repair. A review of the account revealed very little activity. Prior to the fraudulent deposits in October 2019, the last deposit activity occurred in February 2019 in the amount of .38 cents. I believe that the account was opened for the sole purpose of being used for illegal activity.

Conclusion

17. Based on the foregoing, there is probable cause to believe, and I do believe, that unidentified individuals have committed violations of 18 U.S.C. § 1343 (wire fraud) in contriving to get PBC to wire the above-mentioned funds to an account purportedly owned by one of its vendors, Trans-Market, when in fact it was not. The \$821,030.15 U.S. currency that was seized on November 7 from East West Bank account ending in X5782 constitutes or is derived from proceeds traceable to wire fraud in violation of 18 U.S.C. § 1343, and is therefore subject to seizure pursuant to 18 U.S.C. § 981(b) and subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

Declaration of Joseph Schneider

EXHIBIT A PAGE 4
Complaint *In Rem*
FOR FORFEITURE

18. I have presented this declaration to Assistant United States Attorney Katie de Villiers, and she has advised me that, in her opinion, there is probable cause to forfeit the \$821,030.15 described in this declaration.

I declare under penalty of perjury that the foregoing is true and correct pursuant to 28 U.S.C. §1746.

Executed this 9th day of January 2020.

/s/ Joseph Schneider
JOSEPH SCHNEIDER
Special Agent, FBI

Declaration of Joseph Schneider

EXHIBIT A PAGE 5
Complaint In Rem
FOR FORFEITURE

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

DEFENDANTS

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- | | |
|--|---|
| <input type="checkbox"/> 1 U.S. Government Plaintiff | <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) |
| <input type="checkbox"/> 2 U.S. Government Defendant | <input type="checkbox"/> 4 Diversity
(Indicate Citizenship of Parties in Item III) |

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)
(For Diversity Cases Only)

- | Citizen of This State | PTF | DEF | PTF | DEF | |
|---|----------------------------|---|---|----------------------------|----------------------------|
| <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 | |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage <input type="checkbox"/> 390 Other	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	SOCIAL SECURITY	FEDERAL TAX SUITS
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/ Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))
			IMMIGRATION	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609
			<input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	

V. ORIGIN

(Place an "X" in One Box Only)

- | | | | | | | |
|--|---|--|---|--|---|--|
| <input type="checkbox"/> 1 Original Proceeding | <input type="checkbox"/> 2 Removed from State Court | <input type="checkbox"/> 3 Remanded from Appellate Court | <input type="checkbox"/> 4 Reinstated or Reopened | <input type="checkbox"/> 5 Transferred from another district (specify) _____ | <input type="checkbox"/> 6 Multidistrict Litigation | <input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judgment |
|--|---|--|---|--|---|--|

Cite the U.S. Civil Statute under which you are filing (**Do not cite jurisdictional statutes unless diversity**):**VI. CAUSE OF ACTION**

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION
UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: Yes No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # _____

AMOUNT _____

APPLYING IFP _____

JUDGE _____

MAG. JUDGE _____